United Nations E/ICEF/2001/AB/L.6

Distr.: Limited
29 August 2001

Original: English

For information

United Nations Children's Fund
Executive Board
Second regular session 2001
10-14 December 2001
Item 7 (a) of the provisional agenda*

Private Sector Division

Financial report and statements for the year ended 31 December 2000

Summary

This document presents the results of the UNICEF Private Sector Division (PSD) for the year ended 31 December 2000.

The total net income from PSD activities for the year was $163.3 million for regular resources, compared to $202.9 million in 1999. The total net income for 2000 includes $41.7 million from the sale of UNICEF greeting cards and other products, $154.1 million from private sector fund-raising activities, and an offset of $32.5 million for other charges and adjustments. In addition, $146.2 million ($153.5 million in 1999) were raised from private sector fund-raising activities which were earmarked for other resources. The net consolidated income, including both regular and other resources, amounted to $309.5 million ($356.4 million in 1999).

* E/ICEF/2001/12.

01-52367 (E) 270901

Contents

		Paragraphs	Page
Foreword			3
Financial report for the year ended 31 December 2000		1–44	4
A.	An overview of the results	1–3	4
B.	Financial statements for the year ended 31 December 2000	4	4
	Statement I. Statement of income and expenditure for the year ended 31 December 2000		5
	Statement II. Statement of assets and liabilities as at 31 December 2000		6
	Statement III. Statement of the results for the year ended 31 December 2000 compared with the approved budget		7
C.	Notes to the financial statements	5–44	8

Foreword

I am pleased to report that in 2000 the Private Sector Division (PSD) achieved a net contribution to UNICEF regular resources income of $163.3 million.

This is due to the work of hundreds of thousands of individuals around the world. We are grateful to the National Committees for UNICEF and other cooperating groups whose staff and volunteers sold UNICEF cards and other products; to the hundreds of artists, museums and art collectors whose works were made available, at no charge, for greeting card designs; and to the millions of individuals who purchased UNICEF cards and other products and donated their time and money to the cause of UNICEF throughout the year. Equally important, the above achievements became possible because of the successful fund-raising efforts undertaken by the National Committees for UNICEF and UNICEF field offices, and the millions worldwide who responded with their individual contributions.

(*Signed*) Carol **Bellamy**
Executive Director

Financial report for the year ended 31 December 2000

A. An overview of the results

1. The total net income contribution to UNICEF regular resources from Private Sector Division (PSD) activities was $163.3 million. This compares with $202.9 million in 1999, a decrease of $39.6 million (19.5 per cent). The contribution consists of $41.7 million net operating income from the sale of UNICEF greeting cards and other products; $154.1 million net operating income from private sector fund-raising activities; and an offset of $32.5 million for other charges and adjustments. The other charges and adjustments include Market Development Programme (MDP) expenditure ($2.3 million), Fund-raising Development Programme (FDP) expenditure ($5.6 million), Central and Eastern European National Committees Development Programme expenditure ($0.7 million), Nordic Region Investment Programme ($3.2 million), unfavourable exchange rate adjustment ($20.9 million) and favourable prior year adjustments ($0.2 million).

2. Gross proceeds from the sale of UNICEF greeting cards and other products amounted to $117.3 million compared to $141.6 million in 1999. Card sales volume is at 126 million cards for 2000. The net operating income from the sale of UNICEF greeting cards and other products in 2000 was $41.7 million compared to $65.2 million in 1999. This reduction in operating income was due mainly to a decline in sales volume and the resultant gross proceeds, and also to the negative impact of the continued strength of the United States dollar. The former was also affected negatively by the withdrawal of PSD sales activities in a number of UNICEF field offices.

3. The net operating income from private sector fund-raising activities related to regular resources was $154.1 million in 2000 compared to $156.4 million in 1999, a decrease of $2.3 million. In addition, $146.2 million were raised from private sector fund-raising activities, which were earmarked by partners for allocation to other resources, compared to $153.5 million in 1999.

B. Financial statements for the year ended 31 December 2000

4. The three financial statements that follow are supported by the notes to the financial statements, including a summary of significant accounting policies (paras. 6-15), which are considered an integral part of the financial report.

STATEMENT I

Statement of income and expenditure for the year ended 31 December 2000

(In thousands of United States dollars)

	Note	31 December 2000	%	31 December 1999	%	Variance Increase/(decrease)	%
Gross proceeds - PSD products	3	117,363	100.0	141,608	100.0	(24,245)	(17.1)
Less: Retention/commissions and direct expenses at field offices	4	33,042	28.2	33,735	23.8	(693)	(2.1)
Net proceeds		84,321	71.8	107,873	76.2	(23,552)	(21.8)
Less: Cost of goods delivered	5	24,890	21.2	27,845	19.7	(2,955)	(10.6)
		59,431	42.0	80,028	56.5	(20,597)	(25.7)
Less: Operating costs	6	20,431	17.4	20,270	14.3	161	0.8
Provision for uncollectible accounts receivable	7	3,395	2.9	1,339	0.9	2,056	153.5
		35,605	30.3	58,419	41.3	(22,814)	(39.1)
Add: Other income	8	6,110	5.2	6,787	4.8	(677)	(10.0)
Net operating income - PSD products	9	41,715	35.5	65,206	46.0	(23,491)	(36.0)
Net operating income - private sector fund-raising a/	10	154,137		156,422		(2,285)	(1.5)
Less: Other charges							
Market Development Programme	11	2,344		2,085		259	12.4
Fund-raising Development Programme	12	5,591		7,024		(1,433)	(20.4)
Central and Eastern European National Committees Development Programme	13	686		525		161	30.7
Nordic Investment Programme	14	3,196		0		3,196	-
Total net operating income	15	184,035		211,994		(27,959)	(13.2)
Less: Exchange rate adjustment	16	20,930		10,131		10,799	106.6
Prior years' adjustments(gain)	17	(189)		(1,031)		(842)	(81.7)
Total net income	18	163,294		202,894		(39,600)	(19.5)

The accompanying notes form an integral part of this statement and should be read in conjunction with it.

a/ Excluding $146.2 million recognized as other resources compared to $153.5 million in 1999. This is shown in the UNICEF financial statement.

Ellen Yaffe, Comptroller
(Signed)

Carol Bellamy, Executive Director
(Signed)

STATEMENT II

Statement of assets and liabilities as at 31 December 2000

(In thousands of United States dollars)

	Note	As at 31 December 2000		As at 31 December 1999		Increase/(decrease)	
ASSETS							
Cash	19		137		-		137
Accounts receivable	20	224,059		217,522		6,537	
Less: Allowance for exchange rate fluctuation and uncollectible accounts		28,348		24,116		4,232	
Net accounts receivable	21		195,711		193,406		2,305
Inventory	22		8,414		4,264		4,150
Prepaid expenses	23		130		103		27
Capital assets, net of accumulated depreciation	24		460		602		(142)
TOTAL ASSETS			204,852		198,375		6,477
LIABILITIES							
Accounts payable	25		11,401		12,676		(1,275)
UNICEF inter-office account	26		193,451		185,699		7,752
TOTAL LIABILITIES			204,852		198,375		6,477

The accompanying notes form an integral part of this statement and should be read in conjunction with it.

Ellen Yaffe, Comptroller

Carol Bellamy, Executive Director

STATEMENT III
Statement of the results for the year ended 31 December 2000 compared with the approved budget (In millions of United States dollars)

	Actual	Approved budget a/	Variance Increase (decrease) $	Variance Increase (decrease) %
Income				
Gross proceeds - PSD products	117.3	157.0	(39.7)	(25.3)
Less: National Committees' retention b/	28.0	34.6	(6.6)	(19.1)
Net proceeds	89.3	122.4	(33.1)	(27.0)
Add: Other income	6.1	5.8	0.3	5.2
Net proceeds - PSD products	95.4	128.2	(32.8)	(25.6)
Net proceeds - private sector fund-raising	159.4	154.0	5.4	3.5
Total net proceeds (regular resources)	254.8	282.2	(27.4)	(9.7)
Expenditures				
Cost of goods delivered	24.9	34.6	(9.7)	(28.0)
Marketing expenditures b/	19.7	22.5	(2.8)	(12.4)
Support services	14.4	19.0	(4.6)	(24.2)
Market Development Programme	2.3	3.4	(1.1)	(32.4)
Fund-raising Development Programme	5.6	7.1	(1.5)	(21.1)
Central and Eastern European National Committees Development Programme	0.7	0.4	0.3	75.0
Nordic Investment Programme	3.2	4.0	(0.8)	(20.0)
Total expenditures	70.8	91.0	(20.2)	(22.2)
Total net income before adjustments	184.0	191.2	(7.2)	(3.8)
Adjustments				
Exchange rate adjustments	20.9	-	20.9	-
Prior years' adjustments	(0.2)	-	(0.2)	-
Total net income after adjustments - regular resources	163.3	191.2	(27.9)	(14.6)
Add: other resources - private sector fund-raising	146.2	125.0	21.2	17.0
Net consolidated income - regular resources and other resources	309.5	316.2	(6.7)	(2.1)

a/ In accordance with Executive Board decision 2000/1, paragraph 2 (E/ICEF/2000/8/Rev.1), these amounts reflect the approved budget - low projection.

b/ Excludes commission paid in field offices. Commission is included in marketing expenditures.

C. Notes to the financial statements

Note 1. Objectives and activities

5. PSD, in cooperation with National Committees for UNICEF, field offices and others, raises funds for children. Consequently, this makes people aware of UNICEF activities and gives them the opportunity to be involved in its work.

Note 2. Summary of significant accounting policies

6. The accounts are maintained in accordance with the Financial Regulations and Rules of the United Nations Children's Fund (E/ICEF/FINANCIAL RULES/1) and with the Financial Regulations and Rules of the United Nations Children's Fund, Special Supplement, Greeting Card Operation (E/ICEF/FINANCIAL RULES/1/Add.1).

7. The accounting period (fiscal year) of PSD is 1 January to 31 December, pursuant to Executive Board decision 1996/22 C.5 (E/ICEF/1996/12/Rev.1).

8. The accounts of PSD are incorporated into the UNICEF accounts as at 31 December. Consistent year-end cut-off procedures are in effect to incorporate PSD accounts into the UNICEF financial statements.

9. The accounting unit is the United States dollar. The equivalent in United States dollars of other currencies is established on the basis of the United Nations operational rates of exchange on the transaction date.

10. Gross proceeds are recorded in local currency based on current year's deliveries. They are converted into United States dollars at the United Nations operational rates of exchange prevailing on 31 December.

11. Assets and liabilities in currencies other than United States dollars are valued for accounting purposes at the prevailing United Nations rates of exchange. Any variance in valuation caused by fluctuation of those rates is accounted for as income or loss and included in the statement of income and expenditure under exchange rate adjustment. An allowance of 10 per cent of non-United States dollar-denominated outstanding accounts receivable as at 31 December may be established to cover the fluctuation of exchange rates. Further, an allowance for accounts receivable that are considered doubtful for collection may be established. These allowances are shown as a deduction from the accounts receivable on the statement of assets and liabilities.

12. The inventory of work in process and finished goods are valued at standard cost, while raw materials are valued at moving average cost. It is PSD policy to write-down unsold cards and dated products at the end of the first sales campaign year and all other products at the end of the second sales campaign year. Products which have been written-down and carried forward are valued at their add-on cost. All publicity and promotion materials produced in the current campaign year, but relating to future campaign years, are shown at standard cost and included in inventory.

13. Capital assets costing $100,000 or more are capitalized and depreciated over their estimated useful life.

14. Liabilities are accrued in the PSD accounts following recognized accounting standards, and appropriate cut-off procedures are followed consistently.

15. Income from private sector fund-raising activities and related expenses are recorded separately in the PSD accounts.

Statement I

Note 3. Gross proceeds — PSD products

16. Gross proceeds for 2000 amounted to $117.3 million compared to $141.6 million in 1999, a decrease of $24.3 million (17.1 per cent). This reduction in gross proceeds was due mainly to a decline in sales volume and the resultant gross proceeds, and also to the negative impact of the continued strength of the United States dollar. The former was also affected negatively by the withdrawal of PSD sales activities in a number of UNICEF field offices.

Note 4. Retention/commissions and direct expenses at field offices

17. This item consists of the amounts retained by National Committees and other partners, commissions paid to consignees and direct operating expenses at UNICEF field offices. For 2000, this amounted to $33.0 million, a decrease of $0.7 million (2.1 per cent) compared to 1999. Lower field office expenses resulting from the discontinuance of PSD-related activities in a number of field offices contributed to the decrease. A breakdown is given below:

	(In millions of United States dollars)			
			Increase (decrease)	
	2000	*1999*	*$*	*%*
Retention/commissions	30.0	30.4	(0.4)	(1.3)
Field offices' expenses	3.0	3.3	(0.3)	(9.1)
Total	**33.0**	**33.7**	**(0.7)**	**(2.1)**

Note 5. Cost of goods delivered

18. The cost of goods delivered, including promotion materials, freight, duties and taxes, was $24.9 million, a reduction of $2.9 million (10.4 per cent) compared to 1999. This decrease was due mainly to the favourable impact of the strong United States dollar on purchases in Europe and the lower actual than projected sales for the 1999 campaign. To promote sales, there was, however, an increase of $2.3 million (57.5 per cent) in promotional materials. Details are presented below:

	(In millions of United States dollars)			
			Increase (decrease)	
	2000	*1999*	*$*	*%*
Cost of goods delivered	15.4	20.4	(5.0)	(24.5)
Freight, duties, tax	3.2	3.4	(0.2)	(5.9)
Promotion materials	6.3	4.0	2.3	57.5
Total	**24.9**	**27.8**	**(2.9)**	**(10.4)**

Note 6. Operating costs

19. Operating expenses amounted to $20.4 million in 2000, a marginal increase of $0.1 million (0.5 per cent) compared to 1999. The expenses are summarized below:

	(In millions of United States dollars)			
			Increase/(decrease)	
	2000	*1999*	*$*	*%*
Product sales	6.1	6.9	(0.8)	(11.6)
Operations and finance	13.7	12.9	0.8	6.2
Director's office	0.6	0.5	0.1	20.0
Total	**20.4**	**20.3**	**(0.1)**	**(0.5)**

Note 7. Provision for uncollectible accounts receivable

20. The $3.4 million provision is to cover accounts receivable that may become irrecoverable. Accounts receivable deemed to be irrecoverable are written-off. Nevertheless, PSD continues its efforts to pursue collection of these amounts.

Note 8. Other income

21. Other income is based on income reported by partners by 31 December and comprises the following:

(a) **Income from licensed products**, which includes royalties from special programmes, income from Nippon Telegraph and Telephone Corporation's Pressed Flower Telegram Programme in Japan, and income from the sale of National Committee products and other items;

(b) **Donations**, which represent contributions generated through PSD brochures/order forms;

(c) **Miscellaneous income**, which includes discounts on purchases and miscellaneous proceeds.

22. Other income in 2000 amounted to $6.1 million, a decrease of $0.7 million compared to 1999. A comparison between 2000 and 1999 is summarized below:

	(In millions of United States dollars)		
			Increase/(decrease)
	2000	*1999*	*$*
Licensed products	3.8	4.6	(0.8)
Donations	1.7	2.0	(0.3)
Miscellaneous income	0.6	0.2	0.4
Total	**6.1**	**6.8**	**(0.7)**

Note 9. Net operating income — PSD products

23. For the 2000 campaign, the net operating income from the sale of UNICEF greeting cards and other products amounted to $41.7 million, a decrease of $23.5 million compared to 1999. As a percentage of gross proceeds, net operating income decreased to 35.5 per cent from 46.0 per cent in 1999. This drop was due mainly to a decline in sales volume and the resultant gross proceeds, and also to the negative impact of the continued strength of the United States dollar. The former was also affected negatively by the withdrawal of PSD's presence in a number of UNICEF field offices.

Note 10. Net operating income — private sector fund-raising

24. In 2000, total net proceeds from private sector fund-raising activities reported by partners by 31 December amounted to $159.4 million for regular resources, a decrease of $3.0 million compared to 1999.

25. As presented in the following table, the net operating income from private sector fund-raising activities related to regular resources in 2000 amounted to $154.1 million compared to $156.4 million in 1999, an decrease of $2.3 million (1.5 per cent). The net operating income from private sector fund-raising activities related to regular resources was net of the amount retained by the National Committees, operating expenses related to private sector fund-raising activities including field office expenses, and research and development.

26. In addition to the net operating income from private sector fund-raising activities related to regular resources, $146.2 million were earmarked to various UNICEF other resources projects. This amount is shown as a footnote to statement I in this financial report and included as income in the UNICEF financial report.

27. To develop new methods and test fund-raising campaigns in 2000, $1.2 million were spent for research and development.

	(In millions of United States dollars)			
			Increase/(decrease)	
	2000	*1999*	*$*	*%*
Net proceeds	159.4	162.4	(3.0)	(1.9)
Less:				
Operating expenses	2.2	2.8	(0.6)	(21.4)
Field office expenses	1.9	1.6	0.3	18.8
Research and development	1.2	1.6	(0.4)	(25.0)
Net operating income	**154.1**	**156.4**	**(2.3)**	**(1.5)**

Note 11. Market Development Programme

28. In 1994, the Executive Board approved the establishment of MDP (E/ICEF/1994/13/Rev.1, decision 1994/A/9) with the goal of testing and evaluating new income-generating initiatives in the area of product line and marketing. For 2000, the Executive Board approved $3.4 million. Through this programme, interested National Committees submit requests for funding, supported with a

complete project description and a marketing and financial plan. Upon approval of the project, PSD allocates the funds to the National Committees which, in most cases, match the amount allocated while establishing a separate account for the transparent monitoring of the programme over the planned period. During 2000, 12 National Committees received approval for funding from MDP, with a total expenditure of $2.3 million.

Note 12. Fund-raising Development Programme

29. To enable PSD to continue to fulfil its mandate in private sector fund-raising activities, the Executive Board, at its 2000 session, renewed FDP with $7.1 million approved for 2000. The objective of this programme was to increase the capacity of National Committees and UNICEF field offices to build a broader support base in raising funds from the private sector (see E/ICEF/1991/AB/L.6 and E/ICEF/1991/15, decision 1991/35). In 2000, 18 National Committees and 3 UNICEF field offices availed of the programme. The total expenditure for FDP was $5.6 million.

Note 13. Central and Eastern European National Committees Development Programme

30. In 1992, the Executive Board approved the Central and Eastern European National Committees Development Programme (E/ICEF/1992/AB/L.6 and E/ICEF/1992/14, decision 1992/40). Initially, the National Committees in this region were allowed to retain, in addition to the 25 per cent retention on gross proceeds, the remaining 75 per cent of gross proceeds as well. This increased retention was intended to cover expenditures for raising awareness, general advocacy, information dissemination, sales network expansion and donor constituency-building. According to the Executive Board-approved formula, starting in 1997, National Committees contributed 40 per cent to UNICEF, 60 per cent in 1998, and the usual 75 per cent of the gross proceeds in 1999 and thereafter. Following a review in 1998, the Executive Board decided that the development of these National Committees should continue to be supported for an additional three years, i.e. 1999-2001. During this period, they will be allowed to retain 50 per cent of their gross proceeds, i.e., an additional 25 per cent to their regular retention (E/ICEF/1999/AB/L.5). For 2000, this expenditure amounted to $0.7 million.

Note 14. Nordic Investment Programme

31. In 2000, the Executive Board approved the establishment of the Nordic Investment Programme with an initial budget of $4.0 million for 2000 (E/ICEF/2000/AB/L.1 and E/ICEF/2000/8/Rev.1, decision 2000/1). This programme was developed jointly for the four Nordic National Committees (Denmark, Finland, Norway and Sweden) and is based on a market research and management studies with the goal of reversing the declining trend and increasing significantly private sector contributions from this region. It is envisaged that this programme will enable the four National Committees to reach a minimum sustainable income-generating size by the end of the programme, with a reinvestment capacity to perform a full portfolio of fund-raising, marketing and advocacy/communications activities within the normal 25 per cent retention rate. The total expenditure for the Nordic Investment Programme was $3.2 million.

Note 15. Total net operating income

32. The total net operating income from PSD product sales and private sector fund-raising activities amounted to $184.0 million, a decrease of $28.0 million (13.2 per cent) compared to 1999. This represents PSD net operating income before exchange rate adjustment and prior years' adjustments.

Note 16. Exchange rate adjustment

33. This represents the net adjustment for exchange rate, including a 10 per cent provision for exchange rate fluctuations on outstanding non-United States dollar accounts receivable, and the effect of the revaluation of assets and liabilities using the 31 December 2000 United Nations operational rate of exchange. The exchange rate adjustment in 2000 amounted to a charge of $20.9 million, an increase of $10.8 million when compared to the charge of $10.1 million in 1999.

Note 17. Prior years' adjustments

34. In accordance with existing PSD accounting policy, non-recurring adjustments to proceeds and expenditures related to prior years have been recorded as prior years' adjustments. For 2000, these adjustments amounted to a favourable $0.2 million.

Note 18. Total net income

35. After deducting non-operating expenses, the total net income from product sales and private sector fund-raising activities in 2000 was 163.3 million, a decrease of $39.6 million (19.5 per cent) compared to 1999.

Statement II

Note 19. Cash

36. The cash balance of $0.1 million as at 31 December 2000 consisted of balances in PSD bank accounts and petty cash at headquarters locations.

Note 20. Accounts receivable

37. Accounts receivable include amounts due from National Committees and other partners for revenues from product sales, private sector fund-raising activities and royalties and miscellaneous receivables. The gross accounts receivable as at 31 December 2000 were $224.1 million, an increase of $6.5 million over the balance as at 31 December 1999.

Note 21. Net accounts receivable

38. In accordance with PSD accounting policy (see para. 11 above), an allowance to cover accounts receivable that are considered doubtful for collection and an allowance to cover the impact of exchange rate fluctuation on accounts receivable held in non-United States dollar currencies may be established. For 2000, the total allowance for exchange rate fluctuation and estimated uncollectible accounts amounted to $28.4 million. Net accounts receivable after deducting this allowance amounted to $195.7 million.

Note 22. Inventory

39. Inventory amounted to $8.4 million, an increase of $4.1 million compared to the balance as at 31 December 1999. This increase is due to earlier receipt of finished goods for delivery and distribution in the subsequent campaign.

	(In millions of United States dollars)	
	2000	*1999*
Raw materials	2.5	2.1
Work in process	0.5	0.4
Finished goods	5.4	1.8
Total	**8.4**	**4.3**

Note 23. Prepaid expenses

40. These represented payments made to suppliers for the production of PSD products and promotion materials for 2001 and future campaigns. Prepaid expenses as at 31 December 2000 amounted to $0.1 million, the same as the balance at 31 December 1999.

Note 24. Capital assets

41. These are stated at cost, less accumulated depreciation (see summary of capital assets as at 31 December 2000 presented below). In accordance with PSD accounting policies, capital assets costing $0.1 million or more are capitalized and depreciated over their estimated useful life. The decrease of $0.1 million in capital assets over the balance as at 31 December 1999 was due to depreciation of production machinery and leasehold improvements during the period. There was no new acquisition in 2000.

	(In millions of United States dollars)	
	2000	*1999*
Production machinery	1.1	1.1
Office equipment and Leasehold improvements	1.6	1.6
Subtotal	**2.7**	**2.7**
Accumulated depreciation	(2.2)	(2.1)
Total	**0.5**	**0.6**

Note 25. Accounts payable

42. Total accounts payable as at 31 December 2000 amounted to $11.4 million, a decrease of $1.3 million compared with the balance as at 31 December 1999. Included in total accounts payable were liabilities to suppliers and National Committees.

Note 26. Inter-office account

43. This reflects the net result of transactions between PSD and other UNICEF offices, which as at 31 December 2000 was $193.4 million. The balance includes monies advanced as working capital to PSD. PSD earnings for each fiscal period are transferred to UNICEF via this account.

Statement III

Note 27. Comparison of 2000 actual results with budget

44. PSD performance in 2000 compared with the approved budget — low projection is as follows:

(a) Gross proceeds from the sale of PSD products were $39.7 million, or 25.3 per cent less than budget;

(b) National Committees' retention was $6.6 million, or 19.1 per cent less than budget;

(c) Net proceeds from the sale of PSD products were $33.1 million, or 27.0 per cent less than budget;

(d) Other income was $0.3 million, or 5.2 per cent higher than budget;

(e) Net proceeds related to the sale of PSD products were $32.8 million, or 25.6 per cent less than budget;

(f) Net proceeds from private sector fund-raising activities were $5.4 million, or 3.5 per cent higher than budget;

(g) Total net proceeds from PSD-related activities (regular resources) were $27.4 million, or 9.7 per cent less than budget;

(h) Cost of goods delivered was $9.7 million, or 28.0 per cent less than budget;

(i) Expenses related to marketing were $2.8 million, or 12.4 per cent less than budget;

(j) Expenses related to support services were $4.6 million, or 24.2 per cent less than budget;

(k) MDP expenditures were $1.1 million, or 32.4 per cent less than budget;

(l) FDP expenditures were $1.5 million, or 21.1 per cent less than budget;

(m) Central and Eastern European National Committees Development Programme expenditures were $0.3 million, or 75 per cent higher than budget;

(n) Nordic Investment Programme expenditures were $0.8 million, or 20.0 per cent less than budget;

(o) Total expenditures were $20.2 million, or 22.2 per cent less than the budget of $91.0 million;

(p) Total net income before adjustments was $7.2 million, or 3.8 per cent less than the budget of $191.2 million;

(q) The total net income after adjustments (regular resources) was $27.9 million, or 14.6 per cent less than the budget of $191.2 million;

(r) Proceeds from private sector fund-raising activities recognized as other resources were $21.2 million, or 17 per cent higher than budget;

(s) The net consolidated income for both regular resources and other resources was $6.7 million, or 2.1 per cent less than budget.